



*The Transportation Security Administration shall adhere to Title 5 pay rules except to the extent that the Federal Aviation Administration or TSA has issued a policy that varies from a Title 5 pay rule.*

1. **PURPOSE:** This directive identifies the policies and procedures on demotions. This document supersedes HRM Letter 531-3, Interim Policy on Demotions, dated October 2, 2003.
2. **SCOPE:** This directive applies to all Transportation Security Administration (TSA) employees.
3. **AUTHORITIES:** The Aviation and Transportation Security Act.
4. **DEFINITIONS:**

**Demotion:** Five types of demotion are defined

- A. Involuntary Demotion, No Fault of Employee: When an employee is involuntarily assigned to a new position in a lower pay band. (An example of involuntary demotion through no fault of the employee is demotion through reduction-in-force.)
  - B. Involuntary Demotion During Initial Supervisory or Managerial Trial Period: When an employee does not successfully complete his or her initial supervisory or managerial trial period, and is assigned to a position in a lower pay band.
  - C. Involuntary Demotion, Performance/Conduct Issue: When an employee is involuntarily assigned to a new position in a lower pay band as the result of a decision letter on performance or conduct.
  - D. Voluntary Demotion: When an employee requests a change to a position in a lower pay band.
  - E. Expiration/Termination of Temporary Promotion: When an employee returns to his/her permanent pay band at the expiration/termination of a temporary promotion.
5. **RESPONSIBILITIES:** Management is responsible for applying the procedures of this directive when an employee is demoted under one of the demotions provided in section 4.

**TSA MANAGEMENT DIRECTIVE No. 1100.53-1**  
**SETTING PAY UPON DEMOTION**

**6. POLICY & PROCEDURES:**

A. Processing. Managers will use the following steps when processing a demotion:

- (1) Determine type of demotion;
- (2) Determine new base salary;
- (3) Seek approval from the appropriate Assistant Administrator/Office Director or designee; and
- (4) Forward SF-52 through established procedures.

B. Determining Type of Demotion. Basic pay treatment in the event of a demotion is dependent on the circumstances surrounding the pay band change, in accordance with the following:

Circumstance	Base Pay Treatment
Involuntary Demotion, No Fault of Employee	Pay is retained under the pay retention provisions contained in HRM LETTER NO. 536-1, Interim Policy on Pay Retention, September 12, 2003, if it does not fit within the pay range of the lower pay band. If it fits within the range of the lower pay band, the employee's pay will be set at the rate received immediately prior to the demotion.
Involuntary Demotion During Initial Supervisory or Managerial Trial Period	Pay is set at the lower of 1) the salary rate that was in effect for the employee before the TSA promotion or assignment that placed the employee in the supervisory or managerial position, including any intervening TSA-wide increase that may have been paid, or 2) the maximum of the new pay band to which the employee is assigned/demoted. Pay may not be set at a rate in excess of the maximum of the pay band.
Involuntary Demotion, Performance/Conduct Issue	Generally, pay will be reduced to a rate no higher than the comparable point in the lower pay band. (For example, if an employee was paid 30 percent into the current pay band, pay would be reduced to a level no higher than 30 percent into the lower pay band). However, when the pay reduction would be in excess of 10%, the manager may provide written justification to set pay higher than that for the relative position in the lower band, but no less than a 10% reduction.

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Circumstance	Base Pay Treatment
Voluntary Demotion	Pay may be set within the new pay band up to the employee's highest previous rate. The new pay rate may not exceed the pay band maximum.
Expiration/Termination of Temporary Promotion	Pay will be set at the lower band as if the employee were never promoted; including all pay increases he/she would have received if the temporary promotion had never occurred. However, if the temporary promotion was continuous for more than one year, pay <u>may</u> be set using the highest previous rate. Pay set under the highest previous rate may not exceed the maximum pay rate of the applicable pay band, and use is discretionary.

**7. EFFECTIVE DATE & IMPLEMENTATION:**

This policy is effective immediately upon signature.



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Richard A. Whitford  
Assistant Administrator for Human Resources

June 25, 2004  
Date

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Point of Contact: TSA OHR/Jan Karicher or DeShawn Shepard/(571) 227-2828